

This Prospectus is not, and under no circumstances is it to be construed as, a public offering of these shares for sale in the United States of America, or in the territories or possessions thereof.

100,000 COMMON SHARES

without par value

File

**Phantom Industries
Limited**

(Incorporated under laws of the Province of Ontario)

The 100,000 no par value common shares offered herewith constitute new financing by the Company.

The common shares of the Company issued as of the date of this Prospectus are listed on the Toronto Stock Exchange.

Transfer Agent and Registrar:
NATIONAL TRUST COMPANY, LIMITED
Toronto, Ontario

AUG 21 1961

We, as principals, offer these 100,000 common shares (if, as and when issued and accepted by us) and subject to the approval of all legal matters by Messrs. Manley, Grant and Armstrong on behalf of the Company and on our behalf.

We reserve the right to accept applications for these common shares in whole or in part or to reject any application and to withdraw this offer at any time without notice.

PRICE: \$5.75 PER SHARE

JENKIN EVANS & CO. LTD.

360 BAY STREET - TORONTO
MEMBER: TORONTO STOCK EXCHANGE

E. H. POOLER & CO. LIMITED

302 BAY STREET - TORONTO
MEMBER: TORONTO STOCK EXCHANGE

Phantom Industries Limited

STATUTORY INFORMATION

1. The full name of the Company is Phantom Industries Limited (hereinafter called the "Company"), and its head office is at 9th Floor, 360 Bay Street, Toronto, Ontario.

2. The Company was incorporated under the name of National Hosiery Mills Limited pursuant to The Ontario Companies Act by letters patent dated the 25th day of July, 1928. Supplementary letters patents were issued to the Company dated respectively the 28th day of December, 1944; the 25th day of June, 1946; the 3rd day of December, 1951; the 2nd day of May, 1956; and the 7th day of June, 1961.

3. The general nature of the business actually transacted by the Company is that of manufacturing hosiery.

4. The full names, present occupations and home addresses of the directors and officers of the Company are as follows:

DIRECTORS

EARL ARNOLD GLICK	Financier	45 Avenal Drive, Toronto, Ontario.
EUGENE BASIL EASTBURN	Retired	44 Inglewood Drive, Hamilton, Ontario.
ROBERT PATRICK BROWN	General Manager	6 Stream Avenue, Dorval, Quebec.
MURRAY PEZIM	Broker	37 Stormont Avenue, Toronto, Ontario.
HARRISON VERNER	Publisher	363 Cortleigh Blvd., Toronto, Ontario.
JOSEPH BETEL	Manufacturer	33 York Downs Drive, Downsview, Ontario.

OFFICERS

EUGENE BASIL EASTBURN	Chairman of the Board	44 Inglewood Drive, Hamilton, Ontario.
EARL ARNOLD GLICK	President	45 Avenal Drive, Toronto, Ontario.
ROBERT PATRICK BROWN	Vice-President	6 Stream Avenue, Dorval, Quebec.
MURRAY PEZIM	Secretary-Treasurer	37 Stormont Avenue, Toronto, Ontario.

5. The auditors of the Company are Messrs. Pape, Strom, Sherman & Company, 220 Bay Street, Toronto, Ontario.

6. The registrar and transfer agent of the Company is National Trust Company Limited, 20 King Street East, Toronto, Ontario.

7. The authorized capital of the Company consisted of 12,324 issued Class "A" shares without par value and 356,613 issued Class "B" shares without par value. By supplementary letters patent dated the 7th day of June, 1961, the 12,324 issued Class "A" shares were reclassified as 12,324 common shares without par value and the 356,613 issued Class "B" shares without par value were reclassified as 356,613 common shares without par value, ranking on a parity with the 12,324 common shares hereinbefore mentioned; and the authorized capital of the Company was increased by creating an additional 381,063 common shares without par value, ranking on a parity with the 368,937 common shares of the Company without par value, resulting from the reclassification, making a total authorized capital of 750,000 common shares without par value, of which at the date hereof 368,937 common shares have been issued and are outstanding as fully paid and non-assessable.

8. Each share of the capital stock of the Company is equal to every other share and all shares participate equally in liquidation or distribution of capital assets or dividends and enjoy full voting rights of one vote per share at all meetings of shareholders.

9. The following bonds of the Company are outstanding which rank ahead of the shares hereby offered: —

- (a) By a deed of trust dated the 30th day of January, 1956, made between the Company of the First Part, National Trust Company Limited, Trustee of the Second Part and The Celtic Knitting Company Limited, Guarantor, of the Third Part, the Company issued 4½% First Mortgage Bonds in the aggregate principal amount of \$700,000. \$75,000 of these bonds, together with interest thereon at the aforesaid rate, are outstanding and are due and payable on January 30th, 1962;

- (b) By a supplemental trust deed dated the 1st day of March, 1959, made between the Company of the First Part, National Trust Company Limited as Trustee of the Second Part and Nordic Hosiery Limited and The Celtic Knitting Company Limited as Guarantors of the Third Part, the Company issued 5½% First Mortgage Bonds in the aggregate principal amount of \$500,000, payable as follows: \$165,000 on account of principal on March 1st in each of the years 1963 and 1964 and \$170,000 on account of principal on March 1st, 1965, with interest payable half-yearly on the 1st days of March and September in each year;
- (c) The Company, together with its subsidiary, Nordic Hosiery Limited, has unconditionally guaranteed payment to National Trust Company Limited as Trustee under the deed of trust and mortgage dated as of the 30th January, 1956, made by The Celtic Knitting Company Limited of the First Part, National Trust Company Limited, Trustee of the Second Part, and the Company and Nordic Hosiery Limited as Guarantors of the Third Part, securing an issue of First Mortgage Bonds limited to \$500,000 in principal amount, together with interest at the rate of 4½% per annum. There is an aggregate principal amount of \$100,000 of these bonds still outstanding which are due and payable together with interest at the aforesaid rate on the 30th day of January, 1962.

10. No substantial indebtedness which is not shown on the balance sheet and the notes appended thereto or pro forma balance sheet of the Company as at the 30th day of April, 1961, filed with the Ontario Securities Commission and forming part of this prospectus is to be created or assumed by the Company.

11. No securities of the Company are covered by options outstanding or proposed to be given by the Company.

12. 100,000 common shares without par value of the Company are offered by this prospectus. Pursuant to and subject to the terms and conditions of an agreement dated as of the 7th day of June, 1961, made between the Company and Jenkin Evans & Co. Ltd., 360 Bay Street, Toronto, Ontario, and E. H. Pooler & Co. Limited, 302 Bay Street, Toronto, Ontario (hereinafter called the "Underwriters"), the Underwriters, each as to a one-half interest, have agreed to purchase as principals and the Company has agreed to sell all of the said shares so offered at the price of \$5.25 per share. The issue price to the public of the said shares is \$5.75 per share.

The underwriters may sell all or some of the said 100,000 common shares to registered brokers at \$5.50 per share, which brokers in turn may offer to sell and sell such shares or some thereof from time to time to the public in the course of primary distribution at the price of \$5.75 per share.

13. The estimated proceeds to be derived by the Company from the sale of the 100,000 common shares offered by it, on the basis of such shares being fully taken up and paid for is \$525,000, less legal and auditing fees and other expenses in connection with the issue, all of which expenses are estimated at \$25,000.

14. The net proceeds of the sale of the 100,000 common shares hereby offered will be applied in part in reducing the Company's indebtedness to its Banker and the balance, if any, will be used for general operating purposes and plant expansion. No provision has been made for the holding of any part of the proceeds of the issue in trust.

15. In the opinion of the directors no minimum amount must be raised by the issue of the said 100,000 common shares to provide for any of the following matters: (a) the purchase price of any property purchased or to be purchased by the Company that is to be defrayed in whole or in part out of the proceeds of the sale of the shares offered by the Company, or (b) any preliminary expenses payable by the Company, or (c) any commission payable by the Company to any person in consideration of his agreeing to subscribe for or procuring or agreeing to procure subscriptions for any shares in the Company, or (d) the repayment of any monies borrowed by the Company in respect of the foregoing matters, or (e) the repayment of bank loans.

16. In respect to the underwriting agreement with Jenkin Evans & Co. Ltd. and E. H. Pooler & Co. Limited, reference is hereby expressly made to paragraph numbered 12 hereof.

17. The by-laws of the Company contain the following provisions with respect to the remuneration of directors:

"The remuneration to be paid the Directors shall be such as the Board shall from time to time determine and such remuneration shall be in addition to the salary paid to any Officer of the Company who is also a Member of the Board of Directors. The Directors may also by resolution award special remuneration to any Director undertaking any special services on the Company's behalf other than the routine work ordinarily required of a Director by the Company and the confirmation of any such resolution or resolutions by the Shareholders shall not be required."

The Directors should also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Company.

18. The aggregate remuneration paid by the Company during the last financial year ending December 31st, 1960 to the Directors of the Company as such was \$2,025 and the aggregate amount estimated to be payable during the current financial year to directors as such is \$3,500. The aggregate amount paid during the last financial year to officers of the Company who as such individually received remuneration in excess of \$10,000 per annum was \$53,000, and the aggregate remuneration estimated to be paid or payable during the current financial year to officers of the Company who as such individually have received or may be entitled to receive remuneration in excess of \$10,000 per year is \$50,000.

19. No amount has been paid within the two preceding years or is payable by the Company as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company.

20. The Company has been carrying on business for more than one year.

21. No property has been purchased or acquired by the Company, or is proposed to be purchased or acquired, the purchase price of which is to be defrayed in whole or in part out of the proceeds of the issue or has been paid within the last two preceding years or is to be paid for in whole or in part in securities of the Company.

22. Reference is hereby expressly made to paragraph 21 hereof.

23. No securities of the Company have been issued or agreed to be issued as fully or partly paid up otherwise than in cash within two years preceding the date hereof.

24. No obligations of the Company are offered by this prospectus.

25. No services have been or are to be rendered by the Company which are to be paid for by the Company wholly or partly out of the proceeds from the sale by the Company of the shares offered by this prospectus, except services rendered to the Company in the ordinary course of its business and legal, auditing and other services in connection with the obtaining of the Supplementary Letters Patent dated June 7th, 1961 and the issue of the said shares. No services have been rendered to the Company within the two years preceding the date hereof which have been or are to be paid for by securities of the Company.

26. No amount has been paid within the preceding two years or is intended to be paid to any promoter of the Company.

27. No material contracts have been entered into within the preceding two years apart from contracts entered into in the ordinary course of business carried on by the Company, save and except the following:

- (a) The underwriting agreement referred to in paragraph 12 hereof;
- (b) Agreement dated the 6th day of February, 1961 between the Company, as vendor, and The Corporation of the Town of Richmond in the Province of Quebec, as purchaser, when the Company sold its property and factory situated on Gouin Street, in the Town of Richmond, Quebec, for \$60,000.00;
- (c) By an Offer to Purchase dated the 3rd day of March, 1961, made by William N. Lotteridge, John Langs, acting for the Company, agreed to sell the dwelling house known as Number 147 Flatt Avenue, in the City of Hamilton, Ontario for \$18,000.00.

Copies of the said contracts may be inspected at the Head Office of the Company during business hours during the course of primary distribution to the public of the securities hereby offered.

28. No director has any interest in the promotion of or in any property acquired by the Company within the preceding two years, or proposed to be acquired, nor is any director a partner in a firm having such interest.

29. The Company has been carrying on business for more than three years and has not acquired and does not propose to acquire at this time a business that has been carried on for less than three years.

30. As of the date hereof Joanne Holdings Limited, 9th Floor, 360 Bay Street, Toronto, Ontario, by reason of beneficial ownership of shares of the Company, acting in conjunction with other shareholders may be in a position to elect or cause to be elected a majority of the directors of the Company. As far as the directors of the Company are aware there is no agreement outstanding referring to the election of directors. The only person having any interest, directly or indirectly, greater than 5% in Joanne Holdings Limited is Earl A. Glick, the President and a Director of the Company.

31. As of the date of this prospectus no shares of the Company are held in escrow. The shares of the Company owned by Joanne Holdings Limited were purchased from former directors and shareholders of the Company, or in the open market. The signatories hereto are advised that Joanne Holdings Limited may from time to time sell all or some of the said shares through the Exchange upon which the shares of the Company are then listed.

32. The dividends paid during the five years preceding the date hereof are as follows:

During the fiscal year ended December 31st, 1956,	
on Class "A" shares aggregating	\$ 2,961.70
on Class "B" shares aggregating	\$113,302.80
During the fiscal year ended December 31st, 1957,	
on Class "A" shares aggregating	\$ 2,800.80
on Class "B" shares aggregating	\$113,560.32
During the fiscal year ended December 31st, 1958,	
on Class "A" shares aggregating	\$ 2,748.60
on Class "B" shares aggregating	\$113,643.52
During the fiscal year ended December 31st, 1959,	
on Class "A" shares aggregating	\$ 2,703.80
on Class "B" shares aggregating	\$113,718.60
During the fiscal year ended December 31st, 1960,	
on Class "A" shares aggregating	\$ 2,684.45
on Class "B" shares aggregating	\$ 28,433.12

By Supplementary letters patent dated the 7th day of June, 1961, the Class "A" shares and the Class "B" shares were reclassified all as common shares having no nominal or par value.

33. The Company has been named as a defendant in a suit in the Supreme Court of Ontario for damages instituted by one Michael Jay for alleged libel in the amount of \$250,000. In the opinion of counsel for the Company the ultimate liability, if any, will be inconsequential.

The foregoing constitutes full, true and plain disclosure of all material facts in respect to the offering of securities referred to above as required by section 39 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required.

DATED this 7th day of July, 1961.

DIRECTORS

E. A. GLICK

R. P. BROWN

E. B. EASTBURN

H. VERNER

M. PEZIM

J. BETEL

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect to the offering of securities referred to above as required by section 39 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required. In respect to matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

UNDERWRITERS

JENKIN EVANS & CO. LTD.

E. H. POOLER & CO. LIMITED

per: JENKIN EVANS

per: G. T. GAYFORD

per: D. G. JONES

per: E. R. POOLER

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the Underwriters:

JENKIN EVANS & CO. LTD.

E. H. POOLER & CO. LIMITED

JENKIN EVANS,
344 Linsmore Cres. No., Toronto.

CALVINGTON SECURITIES LIMITED
302 Bay Street, Toronto.

D. LLOYD EVANS,
343 Linsmore Cres. No., Toronto.

EDWIN R. POOLER,
41 Strathgowan Cres., Toronto.

GORDON T. GAYFORD,
48 Inglewood Drive, Toronto.

JOHN W. HICKS,
31 Ellis Park, Toronto

Phantom Industries Limited

(Formerly National Hosiery Mills, Limited)
and its wholly-owned subsidiary companies

THE CELTIC KNITTING COMPANY, LIMITED NORDIC HOSIERY LIMITED GLOBE PROCESSING LIMITED CONSOLIDATED BALANCE SHEET AND PRO FORMA CONSOLIDATED BALANCE SHEET AS AT APRIL 30, 1961

		<u>ASSETS</u>		Balance	Pro Forma
				Sheet	Balance Sheet
Current					
Cash on hand				\$ 3,644	\$ 3,644
Marketable securities—at cost (market value—\$1,580)				2,000	2,000
Accounts receivable, less provision for doubtful accounts				488,109	488,109
Inventories of raw materials, work in process, finished goods and supplies —at the lower of cost or market as certified by management (note 3)				1,517,410	1,517,410
Federal income taxes recoverable				27,345	27,345
Prepaid expenses				5,902	5,902
Other					
Life insurance—cash surrender value				\$ 2,044,410	\$ 2,044,410
Expenses of issue—estimated				\$ 39,430	\$ 39,430
					25,000
				\$ 39,430	\$ 64,430
Fixed					
Land—at cost				\$ 39,433	\$ 39,433
Buildings, plant and equipment—at cost				5,344,391	5,344,391
				\$ 5,383,824	\$ 5,383,824
Less—Accumulated depreciation				3,493,801	3,493,801
				\$ 1,890,023	\$ 1,890,023
Trade marks				\$ 5,000	\$ 5,000
TOTAL ASSETS				\$ 3,978,863	\$ 4,003,863

		<u>LIABILITIES</u>		Balance	Pro Forma
				Sheet	Balance Sheet
Current					
Bankers' advances				\$ 856,153	\$ 356,153
Accounts payable and accrued liabilities				261,690	261,690
Sundry taxes payable				37,005	37,005
4½% First mortgage bonds due January 30, 1962				175,000	175,000
Dividends payable				663	663
Unclaimed dividends				13,087	13,087
				\$ 1,343,598	\$ 843,598
First mortgage bonds					
4½% 1956 issue					
Authorized and issued—maturing					
January 30, 1957-62				\$ 700,000	
Redeemed	\$ 625,000				
Included in current liabilities	75,000			700,000	
5½% 1959 issue					
Authorized and issued—maturing March 1, 1963-65				\$ 500,000	\$ 500,000
4½% 1956 issue					
Authorized and issued by a subsidiary company—maturing January					
30, 1957-62 (note 1)				\$ 500,000	
Redeemed	\$ 400,000				
Included in current liabilities	100,000			500,000	
TOTAL LIABILITIES				\$ 1,843,598	\$ 1,343,598

		<u>SHAREHOLDERS' EQUITY</u>			
Capital stock					
Authorized and issued:					
13,251 Class "A" shares of no par value carrying a fixed cumulative preferential dividend of .20¢ per share per annum and convertible share for share into Class "B" shares (6,963 shares converted into Class "B" shares including 28 shares converted during period				\$ 462,442	
355,686 Class "B" shares of no par value					
Pro forma					
Authorized:					
750,000 Common shares, no par value (\$5,000,000)					
Issued:					
468,937 Common shares for					\$ 987,442
Excess of net asset value of subsidiaries over purchase price at date of acquisition				307,384	307,384
Earnings retained in the business				1,365,439	1,365,439
				\$ 2,135,265	\$ 2,660,265
				\$ 3,978,863	\$ 4,003,863

Approved on behalf of the Board:

"MURRAY PEZIM" (Director).

"EARL ARNOLD GLICK" (Director).

Toronto, Canada, June 5, 1961.

Phantom Industries Limited

(Formerly National Hosiery Mills, Limited)
and its wholly-owned subsidiary companies

THE CELTIC KNITTING COMPANY, LIMITED
NORDIC HOSIERY LIMITED GLOBE PROCESSING LIMITED

CONSOLIDATED STATEMENT OF EARNINGS FOR FIVE (5) YEARS AND FOUR (4) MONTHS ENDED APRIL 30, 1961

Year ended December 31	Net profit or (loss) before taking into account the following items	Interest on funded debt and other long-term liabilities	Depreciation on fixed assets	Profit or (loss) on disposal of fixed assets	Provision for income taxes	Net profit or (loss)
1956	\$ 671,561	\$ 50,528	\$339,815	\$ —	\$129,415	\$151,803
1957	795,045	45,497	347,948	147	186,908	214,839
1958	524,868	36,274	195,773	8,675	99,300	202,196
1959	376,952	49,690	202,490	(2,718)	43,700	78,354
1960 (note 3)	(343,071)*	45,324	91,328	9,358	(25,700)	(444,665)
Four (4) months ended April 30						
1961 (note 4)	(23,015)*	12,380	—	750	(1,086)	(33,559)
* Includes the following:				Year ended	Four (4) months ended	
Loss on bankruptcy of a major customer				December 31, 1960	April 30, 1961	
(including non-marketable investment—\$40,900)				\$ 80,369	\$ —	
Maintenance of idle plant (Richmond, Quebec)				15,573	5,575	
				<u>\$ 95,942</u>	<u>\$ 5,575</u>	

NOTES:

- (1) On November 18, 1955, National Hosiery Mills, Limited, acquired control of all the issued and outstanding shares of The Celtic Knitting Company, Limited, Nordic Hosiery Limited and Globe Processing Limited. The consolidated statements of earnings as shown above reflect the results of operations of the company and its subsidiaries for the control period only.
- (2) The company and its subsidiaries did not conduct physical stock-takings as at April 30, 1961. Inventories have been taken from perpetual inventory records maintained by the companies.
- (3) Depreciation at the rates normally used by the companies was not provided by Phantom Industries Limited (formerly National Hosiery Mills, Limited) and two of its subsidiaries for the year ended December 31, 1960. If depreciation at the normal rates used by the companies had been taken, it would have amounted to an additional charge of \$97,595.
- (4) Depreciation has not been provided for the company and its subsidiaries for the four (4) months ended April 30, 1961. If depreciation has been taken, it would have amounted to an additional charge of \$62,333 for the four (4) months ended April 30, 1961.
- (5) The rates of depreciation of fixed assets were reduced by the company and its subsidiaries in 1958. The new rates of depreciation as established do not appear unreasonable.

Auditors' Report

To The Directors,
Phantom Industries Limited,
(Formerly National Hosiery Mills, Limited)

We have examined the consolidated statements of earnings of Phantom Industries Limited (formerly National Hosiery Mills, Limited) and its wholly-owned subsidiary companies for the five (5) years and four (4) months ended April 30, 1961. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

For the five (5) fiscal years ended December 31, 1960, we relied upon financial statements reported upon by other independent chartered accountants, and our opinion in respect of these years is based upon their reports.

In our opinion, the accompanying statements present fairly the results of the operations of Phantom Industries Limited (formerly National Hosiery Mills, Limited) and its wholly-owned subsidiary companies for the five (5) years and four (4) months ended April 30, 1961.

Respectfully submitted,

PAPE, STROM, SHERMAN & COMPANY

Chartered Accountants.

Toronto, Canada,

June 5, 1961.

Phantom Industries Limited

(Formerly National Hosiery Mills, Limited)
and its wholly-owned subsidiary companies

THE CELTIC KNITTING COMPANY, LIMITED NORDIC HOSIERY LIMITED GLOBE PROCESSING LIMITED

CONSOLIDATED BALANCE SHEET AND PRO FORMA CONSOLIDATED BALANCE SHEET AS AT APRIL 30, 1961

NOTES:

1. The pro forma consolidated balance sheet as at April 30, 1961 gives effect to:
 - (a) The reclassifying of 12,324 issued Class "A" shares without par value as 12,324 common shares without par value.
 - (b) The reclassifying of 356,613 issued Class "B" shares without par value as 356,613 common shares without par value ranking on a parity with the 12,324 common shares hereinbefore mentioned.
 - (c) Increasing the authorized capital of the company by creating an additional 381,063 common shares without par value ranking on a parity with the 368,937 common shares without par value, resulting from the reclassification.
 - (d) The issue of 100,000 new common shares of no par value for a consideration of \$525,000 and the application in part of the proceeds to the reduction of bankers' advances and the balance, if any, towards general operating purposes and plant expenses.
 - (e) The payment of expenses in connection with the issue estimated at \$25,000.00.
2. **Contingent liabilities:**
 - (a) Phantom Industries Limited (formerly National Hosiery Mills, Limited) together with Nordic Hosiery Limited on January 30, 1956 jointly guaranteed an issue of \$500,000.00, 4½% 1st mortgage bonds of The Celtic Knitting Company, Limited. \$100,000.00 of these bonds were outstanding on April 30, 1961 and are repayable on January 30, 1962.
 - (b) The Company has been named as defendant in a suit for damages for alleged libel for an amount of \$250,000.00. However, in the opinion of counsel, the ultimate liability, if any, will be inconsequential.
3. The company and its subsidiaries did not conduct physical stock-takings as at April 30, 1961. Inventories as shown have been taken from perpetual inventory records maintained by the companies.
4. Capital cost allowances claimed in prior years exceed the accumulated depreciation recorded in the accounts by \$280,528.00. The accumulated amount by which income taxes have been reduced in this way is approximately \$112,000.00.

Auditors' Report

To The Directors,
Phantom Industries Limited,
(Formerly National Hosiery Mills, Limited)

We have examined the consolidated balance sheet and pro forma consolidated balance sheet of Phantom Industries Limited (Formerly National Hosiery Mills, Limited) and its wholly-owned subsidiary companies as at April 30, 1961 and we have received all information and explanations required. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

As stated in Note 3 to the consolidated balance sheet, the company and its subsidiaries did not conduct physical stock-takings as at April 30, 1961. We have examined the perpetual inventory records for the four (4) months ended April 30, 1961 and have satisfied ourselves that the inventories as shown are fairly stated.

Subject to the above, in our opinion,

(a) The accompanying consolidated balance sheet presents fairly the consolidated financial position of the company as at April 30, 1961.

(b) The accompanying pro forma consolidated balance sheet presents fairly the consolidated financial position of the company as at April 30, 1961, after giving effect to the changes set forth in Notes 1 to the balance sheet.

PAPE, STROM, SHERMAN & COMPANY
Chartered Accountants.

Toronto, Canada,
June 5, 1961.

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS AMENDING FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS AMENDING FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

TORONTO STOCK EXCHANGE

File
PHANTOM INDUSTRIES LIMITED
 (Formerly National Hosiery Mills Limited)

Full corporate name of Company

AMENDING FILING STATEMENT No. 44.
 FILED, JULY 27th, 1961.

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No. 581 dated June 1, 1961.

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.	(1) Underwriting of 100,000 common shares of the capital stock of the Company. (2) Change of an Officer of the Company. (3) Change in Head Office of the Company. (4) Change in name of Company.
2. Head office address and any other office address.	By Special Resolution passed by the directors and confirmed by the shareholders the Head Office of the Company was changed from the City of Hamilton to the Municipality of Metropolitan Toronto. The Head Office is now located on the 9th Floor, 360 Bay Street, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	William Coldoff has resigned as an officer and director of the Company. Murray Pezim is now Secretary-Treasurer of the Company.
4. Share capitalization showing authorized and issued and outstanding capital.	By virtue of Supplementary Letters Patent dated the 7th day of June, 1961, the capital of the Company now consists of 750,000 common shares without par value, of which 468,937 common shares have been issued and are outstanding as fully paid and non-assessable.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By an underwriting letter agreement dated as of the 7th day of June, 1961, Jenkin Evans & Co. Ltd., 360 Bay Street, Toronto, Ontario, and E. H. Pooler & Co. Limited, 302 Bay Street, Toronto, Ontario, each as to a one-half interest, agreed to purchase, as principals, 100,000 common shares of the Company at \$5.25 per share. These shares have been purchased and paid for. The issue price to the public was \$5.75 per share. The only persons having a greater than 5% interest in Jenkin Evans & Co. Ltd. are Jenkin Evans, 344 Linsmore Cres. No., Toronto, Ontario, and D. Lloyd Evans, 343 Linsmore Cres. No., Toronto, Ontario. The only persons having a greater than 5% interest in E. H. Pooler & Co. Limited are Calvington Securities Limited, 302 Bay Street, Toronto, Edwin R. Pooler, 41 Strathgowan Cres., Toronto, Gordon T. Gayford, 48 Inglewood Drive, Toronto and John H. Hicks, 31 Ellis Park, Toronto.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>*1. Jenkin Evans & Co. Ltd., 360 Bay Street, Toronto, Ontario. 155,362 shares</p> <p>**2. Joanne Holdings Limited, 360 Bay Street, Toronto, Ontario 77,647</p> <p>*3. E. H. Pooler & Co. Ltd. 302 Bay Street, Toronto, Ontario 63,525</p> <p>*4. Adams Reid Limited, 200 Bay Street, Toronto, Ontario 17,800</p> <p>*5. Bache & Company, 360 Bay Street, Toronto, Ontario 9,285</p> <p>* Beneficial Owners unknown ** Beneficial Owner</p>
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	(1) The Underwriting Agreement referred to in Item 6 hereof. (2) By an offer to purchase dated the 3rd day of March, 1961 made by William N. Lotteridge, John Langs acting for the Company, agreed to sell the dwelling house known as 147 Flatt Avenue, Hamilton, Ontario, for \$18,000.00.
Statement of any other material facts and if none, so state.	By Special Resolution passed by the directors and confirmed by the shareholders the name of the Company was changed from National Hosiery Mills Limited to Phantom Industries Limited.

DATED July 21st, 1961.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"E.A. Glick"

"M. Pezim"

PHANTOM INDUSTRIES LIMITED
 CORPORATE SEAL
 President
 Director

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

E. H. POOLER & CO. LIMITED

per "E.H. Pooler"

per "E.R. Pooler"

JENKIN EVANS & CO. LTD.

per "J. Evans"

per "D.G. Jones"

AUG 21 1961

Phantom Industries Limited
& Its Subsidiary Companies
Statements of Change in Working Capital
for the Period from 30th April 1961 to 1st July 1961

	1961 30th April	1961 1st July	Increase (Decrease)
<u>Current Assets</u>			
Cash	\$ 2,294.	\$ 1,383.	\$ (911)
Marketable Securities - at Cost	2,000.	2,000.	-
Accounts Receivable - NET	496,233.	380,375.	(115,858)
Inventories - at the lower of estimated cost or market	1,542,924.	1,518,306.	(24,618)
Federal Income Taxes Recoverable	27,500.	27,500.	-
Prepaid Expenses	5,956.	11,502.	5,546.
	<u>2,076,907.</u>	<u>1,941,066.</u>	<u>(135,841)</u>
<u>Current Liabilities</u>			
Bank Overdraft	854,802.	676,283.	(178,519)
Accounts Payable & Accrued Liabilities	301,218.	279,617.	(21,601)
4½% First Mortgage Bonds due January 30th, 1962	175,000.	175,000.	-
Unclaimed Dividends	13,087.	13,087.	-
	<u>1,344,107.</u>	<u>1,143,987.</u>	<u>(200,120)</u>
<u>Working Capital</u>	<u>732,800.</u>	<u>797,079.</u>	<u>64,279.</u>
<u>Other Assets</u>			
Life Insurance C.S.V.	39,429.	39,429.	-
<u>Fixed Assets - Less Depreciation</u>	<u>1,890,034.</u>	<u>1,790,543.</u>	<u>(99,491)</u>
<u>Trade Marks</u>	<u>5,000.</u>	<u>5,000.</u>	<u>-</u>
	<u>2,667,263.</u>	<u>2,632,051.</u>	<u>(35,212)</u>
<u>First Mortgage Bonds</u>			
5½% Maturing March 1, 1963-65	500,000.	500,000.	-
<u>Shareholders' Equity</u>	<u>\$ 2,167,263.</u>	<u>\$ 2,132,051.</u>	<u>\$ (35,212)</u>
Consisting of:			
Capital Stock	462,442.	462,442.	-
Excess of Net Asset Value of Subsidiaries over purchase price at date of Acquisition	307,384.	307,384.	-
Earned Surplus	1,397,437.	1,367,225.	(35,212)
	<u>\$ 2,167,263.</u>	<u>\$ 2,132,051.</u>	<u>\$ (35,212)</u>

KAH/ca
August 3/61

PHANTOM INDUSTRIES LIMITED

Phantom Industries Limited
& Its Subsidiary Companies
Statement of Source & Application of Funds
for the Period from 30th April 1961 to
1st July 1961

Source of Funds:-

By Sale of Richmond Plant	\$ 57,000.	
Sale of 147 Flatt Ave.	17,170.	
Sale of Automobile	2,427.	
	<u>76,597.</u>	

Application of Funds:-

To Net Loss (trading) for the period	7,997.	
Adjustment Re Sales Tax on purchase of Equipment Prior to April 30th, 1961	3,705.	
Dividends Paid "A" Shares	616.	
	<u>12,318.</u>	
Change in Working Capital		<u>\$ 64,279.</u>

KAH/ca
August 3/61

PHANTOM INDUSTRIES LIMITED

CERTIFIED CORRECT

E.A. Glick
M. Pezim